

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	Chapter 9
)	
CITY OF DETROIT, MICHIGAN,)	Case No. 13-53846
)	
Debtor.)	Hon. Steven W. Rhodes
)	

**LIMITED RESPONSE OF THE DETROIT RETIREMENT SYSTEMS
TO THE ORDER REGARDING IDENTIFYING LEGAL ISSUES
RELATING TO CONFIRMATION**

The Police and Fire Retirement System of the City of Detroit (the “PFRS”) and the General Retirement System of the City of Detroit (the “GRS” and together with the PFRS, the “Retirement Systems”) hereby file this limited response (the “Response”) to the Order Regarding Identifying Legal Issues Relating to Confirmation [Dkt. No. 5021] (the “Legal Issues Identification Order”), stating as follows:

Limited Response

1. The City, the Retirements Systems, and others, have reached agreements or agreements in principle regarding the treatment of Pension Claims¹

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014) [Dkt. No. 4392] (the “Plan”).

provided that both Classes 10 and 11 vote to accept the Plan and the funding contemplated by the State Contribution Agreement and the DIA Settlement is actually committed, subject to the fulfillment of the conditions that accompany such funding. *See* Recital A of Stipulation attached as Exhibit A to the Notice of Proposed Order Approving Stipulation Modifying Certain Deadlines Established in the Fourth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtors' Plan of Adjustment [Dkt. No. 4563].

2. On May 9, 2014, the Court entered the Order Approving the Stipulation Modifying Certain Deadlines Established in the Fourth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtors' Plan of Adjustment (Docket No. 4202) [Dkt. No. 4587] (the "Order Modifying Plan Scheduling Order").

3. The Order Modifying Plan Scheduling Order modifies the deadline for the Retirement Systems, and other parties to the Stipulation, to serve and file objections to the Plan, and to take other actions.

4. Pursuant to the Order Modifying Plan Scheduling Order, the Retirement Systems have not yet filed or served Plan objections.

5. On May 23, 2014, the Court entered the Legal Issues Identification Order requiring "the City and each objecting creditor" to file a "paper identifying

any issues of law relating to confirmation that the party believes can be determined without the necessity of proof at the confirmation hearing.”

6. Because the Retirement Systems have not yet filed a Plan objection, they believe that they are not an “objecting party” that is subject to the Legal Issues Identification Order and that they are not required to identify purely legal issues relating to Plan confirmation at this time.

7. Nonetheless, the Retirement Systems object to the Legal Issues Identification Order and to the bifurcation of “legal issues” prior to the confirmation hearing, to the extent that it may cause certain issues to be briefed, argued, and determined before the Retirement Systems can reasonably determine whether they will be objecting creditors. The proposed bifurcation of “factual” and “legal” issues may either force the Retirement Systems to take a position on certain issues prematurely or prejudice the Retirement Systems’ rights to be heard on an issue.

8. The Retirement Systems hereby reserve all rights to object to the Plan on any and all grounds. The Retirement Systems also reserve all rights to identify potential legal issues to be decided at confirmation without proof and to object to the treatment of any issue as a legal issue to be decided without proof at confirmation.

Dated: May 27, 2014

Respectfully submitted,

CLARK HILL PLC

/s/ Robert D. Gordon

Robert D. Gordon (P48627)

Shannon L. Deeby (P60242)

Jennifer K. Green (P69019)

151 South Old Woodward Avenue

Suite 200

Birmingham, Michigan 48009

Telephone: (248) 988-5882

Facsimile: (248) 988-2502

rgordon@clarkhill.com

EXHIBIT A

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CERTIFICATE OF SERVICE

The undersigned certifies that on May 27, 2014, the *Limited Response of the Detroit Retirement Systems to Order Regarding Identifying Legal Issues Relating to Confirmation* was filed using the Court's CM/ECF system, which CM/ECF system will send notification of such filing to all parties of record.

CLARK HILL PLC

/s/ Robert D. Gordon

Robert D. Gordon (P48627)
151 South Old Woodward Avenue, Suite 200
Birmingham, Michigan 48009
Telephone: (248) 988-5882
rgordon@clarkhill.com

Dated: May 27, 2014

*Counsel to the Police and Fire Retirement
System of the City of Detroit and the General
Retirement System of the City of Detroit*